GOVERNMENT OF INDIA
SOCIAL JUSTICE AND EMPOWERMENT
LOK SABHA

UNSTARRED QUESTION NO:6782
ANSWERED ON:10.05.2000
PENSION SCHEME
CHANDRAKANT BHAURAO KHAIRE

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

(a) whether the attention of the Government has been drawn to pension scheme formulated by the World Bank;

(b) whether Dr. Dave Committee`s recommendations on pension were also based on Scheme of the World Bank; and

(c) if so, the action taken by the Government in this regard?

Answer

MINISTER OF STATE OF THE MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT

(SMT. MANEKA GANDHI)

(a) Yes, Sir.

(b)&(c)The World Bank, in its report titled `Averting the Old Age Crisis` published in1994, has recommended a three pillar system for Old Age Income Security; the first pillarconsists of Government provided social security; the second pillar consists of mandatory contribution towards social security (Privately managed but publicly regulated) ; and the third pillar consists of voluntary savings; The first pillar is applicable to persons below poverty line and above the age of 65 yeas. They are covered under a Governmentscheme called the National Old Age Pension Scheme (NOAPS) which is beingadministered by Ministry of Rural Development.The second pillar consisting of a mandatory pension and provident fund scheme is applicable to only around 11 percent of the totals working population and is basically confined to organized labour and Central and State Government employees. Almost 89 percent of the workforce have no mandatory retirement scheme and they have to live on their own voluntary savings. Dave Committee has recommended a voluntary Old Age Income Security scheme basically forthis large segment of the working force. The Ministry of Social Justice & Empowermenthas initiated action for implementing the recommendation of Dave Committee regarding the old age income security for this segment of the working force.